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UNCLAS SECTION 01 OF 03 ASHGABAT 000764

SIPDIS

STATE FOR SCA/CEN (BICKEL)

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SUBJECT: NIYAZOV APPOINTS NEW DEPUTY CHAIRMAN FOR OIL AND  
GAS AT JULY 10 CABINET MEETING

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SUMMARY

1. (SBU) President Niyazov, accompanied by two deputy chairmen of the Cabinet of Ministers and the Minister of Foreign Affairs, held an expanded Cabinet of Ministers meeting on July 10. The president encouraged brevity with the numerous briefings he heard during the edited televised meeting that lasted more than three hours. In addition to appointing only the second new Deputy Chairman in over two years, Niyazov's agenda included decisions on cultural, educational, agricultural, pension, oil and gas and budgetary issues, and an agenda for the annual Halk Maslahaty (People's Council) meeting on October 25. End Summary.

Personnel Issues

2. (SBU) Taking advantage of the Wheat Harvest Festival to request the attendance of the entire government, down to the district governor level, Niyazov seated his cabinet to his right at a table on a stage in front of his 260 member audience. (Note: When he conducts these larger cabinet sessions, Niyazov typically sits behind a desk and arrays the cabinet at a separate table. End Note.) During the meeting, Niyazov appointed Minister of Justice Ashyrgeldi Gulgarayev as Rector of Turkmen State University and dean of the new international arbitration court department. (Note: Gulgarayev has no formal legal training; he also keeps his position as Minister of Justice. End Note.) Niyazov elevated Minister of Oil and Gas and Mineral Resources Gurbanmyrat Atayev to Deputy Chairman for Oil and Gas. Niyazov said he had had to observe Atayev's work as minister (appointed December 15, 2005), before he could appoint him head of such a big sector. Atayev was instructed to oversee the development of the National Energy Policy, including the Petroleum Development Plan through 2020: production and processing of oil, liquefied gas, polypropylene and polyethylene.

Halk Maslahaty Agenda Set

13. (SBU) Niyazov announced the October 25 Halk Maslahaty (People's Council) meeting and the following agenda:

-- Development of the fuel-energy sector: Deputy Chairman Atayev will present the National Energy Policy that includes free natural gas and electricity supplies to citizens until 2020. The Halk Maslahaty will also "discuss" the price of gas and foreign gas markets. (Comment: Niyazov clearly wants to show the people's support for his unilateral decisions in the gas industry. End Comment.)

-- Prisoners' amnesty: Niyazov previously said that 10,000 prisoners will be amnestied this year. Although no new number was given at the meeting, he said that a committee was creating a list of petty criminals who have made restitution to their victims to be considered for release by the Halk Maslahaty.

-- Elections: The president confirmed the December district (etrap) governor elections.

Other Decisions: Niyazov Sees Trees, Not Forest  
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14. (U) The following decisions were also made at the meeting:

-- Library Closures: Niyazov ordered the merger of village (gengesh) libraries with village cultural centers, but said he would maintain district and regional level libraries. (Comment: This is not necessarily a bad thing, the village libraries were understocked and underused - a remnant of the Soviet system; district-level libraries are more rational. End Comment.) Minister of Culture and Rector for Turkmen Institute of Culture Enebay Atayeva reported that 43 of the country's 88 libraries will be closed and that 350 "librarians" will be fired, leaving 108 national librarians.

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Niyazov also instructed Atayeva to close the library science department at the Institute of Culture. (Comment: This, on the other hand, is a bad development. End Comment.)

-- Expanded Student Body: Deputy Chairman Berdimuhammedov reported increases in the number of students admitted to both the Turkmen Polytechnic Institute oil and gas department and the National Institute of Sport and Tourism (to support the new Olympic sports training facility).

-- Budget in the Black: In summary, the state budget for the first half of 2006 exceeded budget projections by 9% with a total revenue of \$2.1 billion at the official 5,200 manats/dollar exchange rate. Four of the five welayets collected their planned revenues - only Dashoguz was delinquent. Niyazov also said that state salaries were paid on time during the reporting period. A complete analysis of the comprehensive budget review will follow septel.

Biographic Note  
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15. (SBU) Atayev's ascendance to Deputy Chairmanship of the critical Oil and Gas Sector is the most interesting aspect of this meeting. Almost a year after former Chairman Yolly Gurbanmuradov was purged and thrown in prison on massive corruption charges, and following months of additional purges and a complete reorganization of the oil and gas sector, making it more centralized and subordinate to the president, Atayev is the first personality to emerge as a credible bureaucrat. Charge has met with Atayev and found him to be an intelligent experienced oil and gas expert who conducts himself with authority and confidence. For months, there literally has been "no one home" at the oil and gas ministry and all negotiations have been conducted by Niyazov himself. This is not likely to change, but Atayev has emerged as the relative winner following the purges. He

also is only the second official to be appointed to fill a Deputy Chairmanship for over two years. (Note: Guychnazar Tachnazarov served as Deputy Chairman for Oil and Gas for five months in 2005, mostly as a non-entity, before he was purged, tried and convicted of embezzlement. End Note.). Atayev's biography follows:

Gurbanmyrat Atayev  
Deputy Chairman of Cabinet Ministers  
Minister of Oil and Gas Industry and Mineral Resources

Born: 1965, Magtymguly Gengeshlik, Wekilbazar Etrap, Mary

Education: Turkmen State Polytechnic Institute, 1989,  
Majored as Engineer-Chemic-Technologist/Oil and Gas  
Reprocessing Technologies

Professional Experience:

07/10/2006	Deputy Chairman of Cabinet of Ministers of Turkmenistan in charge of oil and gas industry
12/15/2005	Minister of Oil and Gas Industry and Mineral Resources
12/06/05-04/20/06	Acting Chairman of the TurkmenGaz [Turkmen Gas] State Concern
10/31/2005	First Deputy Minister of Oil and Gas Industry and Mineral Resources
2003	Head of Dovletabat Gas Deposit
1993-2003	Dovletabat Gas Deposit [country's largest gas deposit] Worked his way up from a fourth category operator to shift supervisor, senior technologist, deputy head of the workforce in charge of main production, senior technologist of the enterprise, and finally deputy head.

Comment

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15. (SBU) President Niyazov was generally upbeat during the meeting and for the first time in recent memory did not indulge in public humiliation of government officials. He appeared more interested in attending to business than orchestrating theatrics before he took his long holiday rest at the Caspian Sea in preparation for his upcoming visit with the President of Iran on July 24. His decisions continued to show his remarkable micromanagement of every aspect of life in Turkmenistan. End Comment.

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